



香港工業總會

Federation of Hong Kong Industries

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Industry News

Press Release

A/IF/PR/18/05-30-01(016)

30 May 2018

Industrialist Forum 2018
Dissecting Hong Kong's latest innovation and technology
and the advanced manufacturing industry

The Federation of Hong Kong Industries (FHKI), Hong Kong Productivity Council, Hong Kong Science and Technology Parks Corporation and KPMG jointly hosted the Industrialist Forum 2018 today, with Financial Secretary Paul Chan, Secretary for Innovation and Technology Nicholas Yang, representatives from statutory bodies, industries and technology corporations as keynote speakers. Policies and measures pertinent to the innovation and technology (I&T) initiatives in the *Policy Address* and the *Budget* were discussed in depth. The Forum also served the purpose of looking into the prospectus of advanced manufacturing in Hong Kong and identifying and capitalising emerging opportunities in the global market.

Financial Secretary Paul Chan said in his speech, "It is no longer a question of to do or not to do in the development of I&T in Hong Kong. Instead, it is rather essential for Hong Kong to catch up and keep up with its competitiveness. Earlier, President Xi Jinping had allowed cross-border scientific research funds. It is not limited to providing Hong Kong with funding, but also affirmed that Hong Kong has an important role in the national I&T strategy."

He believed that Hong Kong will have a higher chance of becoming a scientific research centre with state support. He also stressed that the SAR Government will make good use of its advantages to invest resources, improve the I&T ecosystem, attract and nurture talents, assist industries in upgrading and transformation, and promote re-industrialisation.

At the Forum, FHKI Chairman Jimmy Kwok praised the SAR Government for actively promoting Hong Kong's I&T development, such as setting the target to double total local R&D expenditure relative to GDP ratio from 0.73 per cent to 1.5 per cent by 2022, and introducing 300 per cent tax deduction for R&D expenditure, so as to stimulate Hong Kong enterprises to step up their investment in R&D. He claimed, "Hong Kong's I&T environment has been improving in recent years. Overseas research institutes and multinational technology companies have established innovative research centres in Hong Kong and set up large-scale infrastructure such as optical fiber network and cloud platform. In the aspect of venture capital, local startups raised over HK\$8.9 billion last year, which is six times than what it was in 2014."

Mr Kwok also reckoned that public-private partnerships (PPP) were crucial in promoting I&T development. "A lot of countries are adopting PPP model. With respect to the



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government, PPP can make policy a better fit to conform to continuous changes in the I&T environment; with respect to companies, through PPP they can grasp the latest market situation and policy development trend, develop products and services accordingly and create greater synergy. Some successful projects in Hong Kong include the collaboration between Hong Kong International Airport Innovation Center and the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Limited, which successfully developed radio frequency identification (RFID) luggage handling system and dual RFID and code reader system, which helped to reduce processing time at airline check-in counters and provided a more enjoyable pre-flight experience for passengers; likewise, a collaboration between CLP Power Hong Kong Limited and Fano Labs Limited produced the Multilingual Artificial Intelligence Customer Service System that enhanced service quality through speech analysis database.”

With regards to improving the atmosphere of I&T, Secretary for Innovation and Technology Nicholas Yang explained, “To successfully implement re-industrialisation in Hong Kong, it requires a full collaboration between the Government and the industry. In recent years, the Government has supported the industry with land, R&D capital and tax incentives. Following the rollout of the Bay Area development framework and the completion of the Hong Kong/Shenzhen Innovation and Technology Park at the Lok Ma Chau Loop, Hong Kong will be able to line up upstream, midstream and downstream of the industry chain, and become an international scientific research centre by integrating scientific and research strengths of the cities in the region.”

In terms of advanced manufacturing, Mr Kwok believed that it involved extensive use of computers, information technology, high-precision and high-performance machinery and technologies, including the Internet of Things (IoT), robotics, industrial biotechnology, 3D printing, new materials, and nanotechnology. The system is able to provide different types of product mix, which not only has the efficiency of large-scale production, it can also manufacture in small batches and in a flexible and rapid way in order to meet the needs from various customers.

“According to a survey on R&D activities conducted by the FHKI last year, we found that about 90 per cent of the companies were well-aware of new technologies that they would like to introduce IoT technology and carry out automation. Currently, about 20 per cent of the enterprises have introduced IoT technology, and 50 per cent of the companies have implemented automation,” Mr Kwok continued. He expected that more companies will invest R&D resources in these two areas in order to continue in upgrading and increase their competitiveness.



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Photo Captions:

1. FHKI Chairman Jimmy Kwok delivered his welcoming remarks.



2. Financial Secretary Paul Chan spoke at the Forum.





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- Secretary for Innovation and Technology Nicholas Yang delivered his keynote speech.



- Morning session of the Forum attracted over 200 guests to attend.



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